

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-223

August 30, 2005

PUBLIC UTILITIES COMMISSION
Maine Telecommunications Education
Access Fund

ORDER

ADAMS, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

In this Order, we adopt the recommendations of the Maine Telecommunications Education Access Fund (MTEAF) Advisory Board concerning additional requirements for schools and libraries participating in the MTEAF. These changes are necessary in order to ensure Federal E-Rate funding.

II. MTEAF BOARD RECOMMENDATION

The MTEAF Board recommends that the Commission adopt additional requirements concerning operation of the MTEAF. These changes are necessary to ensure that federal E-Rate discounts will be received for all participating schools and libraries. Title 35-A M.R.S.A. § 7104-B(6) requires schools and libraries to apply for available federal E-Rate discounts before state MTEAF monies are used to support connections to the internet. Since 2002, the Board has filed a consortium application for all participating schools and libraries for Internet access (56 Kbps frame relay, T1s or DSL) and Internet services. The portion of the cost not paid by federal E-Rate has been paid using the MTEAF.

According to the Board, the consortium application has become increasingly difficult to prepare in a complete and timely manner due in part to complex federal rules. The entire application can be put in jeopardy if the precise filing rules are not followed. As part of the process, each school or library must sign a letter of agency authorizing the consortium to apply on its behalf as well as certifying that it has met a number of other requirements. The E-Rate program runs on a July to June cycle with application deadline usually at the end of January. In the past the Board has allowed sites to participate even if they were not on the application. Sites also were permitted to change their connection type throughout the year. This has complicated review of the E-Rate application and resulted in delays in receiving E-Rate funding.

The Board requests that the Commission approve the following requirements to ensure that the E-Rate application is correctly filed and on-time:

1. Schools and libraries must submit a letter of agency (LOA) and certifications by a Fall deadline (to be established) for services starting July 1st. Failure to submit will result in disconnection on July 1, 2006.
2. The sending authority must certify alternative education sites.
3. School superintendents (or headmaster/principal for approved private schools) must sign a separate LOA/certification form for each school under its authority. The Library Director or other person with governance authority pursuant to the library's by-law must sign for each library.
4. Sites must designate the services they are applying for as part of LOA/Certification. Service changes and additions will only occur to be operational July 1. No changes will be allowed from what is on E-Rate application until next E-Rate cycle. If eligible for Federal E-rate, a school or library must be on the E-rate application to receive services from MSLN. Only exception are those libraries choosing not to filter as permitted by 35-A M.R.S.A. § 7104-B(6)(A), which do not have to be on application for internet service.

The Board proposes that an education campaign be conducted by the State Library and Department of Education so that schools and libraries know about these requirements and the consequences of failure to act. Commissioner of Education Sue Gendron and Maine State Library Director Gary Nichols have agreed to these changes and are willing to assist in communication efforts.

Finally, the Board recommends that the Commission approve transferring all remaining 220 schools and libraries that have 56 Kbps connections to T-1 or DSL connections for effect July 1, 2006. The frame relay equipment is out-of-date and beginning to fail. These sites need, or will need, upgrades in the near future. It also will simplify the E-Rate application to have only T-1s and DSL on the application. The Board projects these upgrades will cost the MTEAF an additional \$250,000 annually (assuming 60% of the cost is paid for by federal E-Rate). MTEAF would also pay a one-time expense for those sites needing a router. The Board projects that these costs can be paid for by MTEAF given the current .7% assessment. The Board also recommends that no service changes be permitted between September 1, 2005 and June 30, 2006 to avoid problems in receiving 2005 E-Rate funding.

III. DECISION

We adopt the recommendations of the Board as necessary to ensure E-Rate funding. The continued receipt of E-Rate discounts is necessary in order to keep eligible schools and libraries connected to the Internet at adequate speeds. We direct the Board to work with the State Librarian and Commissioner of Education to ensure that all schools and libraries are aware of these requirements and are given sufficient time to comply.

Dated at Augusta, Maine, this 30th day of August, 2005.

BY ORDER OF THE COMMISSION

Patrick Damon
Administrative Director

COMMISSIONERS VOTING FOR: Adams
 Diamond
 Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.